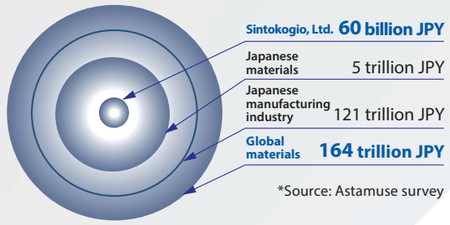
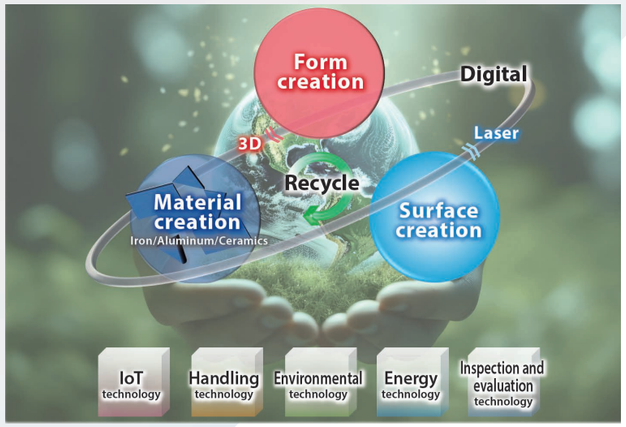
Business Domain: Giving Form and Life to Process Materials

We are broadening the scope of our business by handling everything from material production to forming materials and final surface finishing. The forming material industry refers to the industry that uses castings and other technologies to transform and process materials to create products. The global forming material market is estimated to be 164 trillion JPY as of 2024, and we are engaging with this large-scale market with high growth potential. Currently, our market share is approximately 60 billion JPY, but we are working to expand our business domain with the aim of further growth.



*Source: Astamuse survey

In particular, we believe there are possibilities in markets that other companies are not yet involved in, such as utilizing waste materials and pursuing the functionality of powders and composite materials. We will continue making apt investments to further evolve the technologies we have cultivated so far and expand our business.



Our future business is composed of the two frameworks of material creation + form creation (casting, ceramics, etc.) and surface creation (proposing new surface value using laser technology on top of surface treatment).

As the world shifts toward digitalization and automation, with form creation, we aim to provide new value by utilizing not only our conventional casting skills and experience but also data. Additionally, for the raw materials used in these processes, we are developing next-generation materials through material creation. For surface creation, we are confident that we can propose new surface value by incorporating laser technology in addition to the conventional blasting methods.

These "three creations" are supported by "five technologies." For IoT technology, our various information technologies are emerging, such as C-BOX, which connects sensors to visualize abnormalities on the worksite, and the Sinto Support System, which focuses on preventive maintenance. For handling technology, we have technology that gives robots a human sense of force by attaching sensors to the tip of the robot, and technology that contributes to the efficiency of logistics through transport-related products. For environmental technology, we have technologies to prevent fires and explosions in our customers' factories from the perspective of the health and safety of workers. Energy technology begins with replacing hydraulics with electricity and simplifying the structure of machines to reduce power, aiming to contribute to carbon neutrality. Finally, with our inspection and evaluation technology, we offer precise measurement technology not only for length and dimensions but also to evaluate surfaces themselves, thereby helping to ensure the stable supply of high-quality products.

Through these initiatives, we aim to deepen the co-creation between the Sinto Group companies and our customers, proposing new value.

Three Creations

Form creation "Making better castings" as the business direction

Our company's vision for the foundry business is "making better castings." Historically, founders in Japan were referred to in honorable terms as a special profession recognized by the Imperial Court. However, as times have changed, their importance has faded, and today's factories have been pushed out of urban centers. Our company aims to be a manufacturer that can make good castings with the catchphrase "We can make castings even in the city." When our company was established, we took on the challenge of mechanizing foundries, and we completed Japan's first molding machine. To make better castings, we have continuously developed original technologies that provide high added value to casting products, building a long history of form creation through casting. As a result of these activities, our foundry equipment is used by 5,956* customers globally.

In recent years, the foundry industry has reached a major turning point owing to three shifts: a material shift from iron to aluminum and other materials, a regional shift to move production bases to areas of demand, and a shift in needs that calls for higher-precision casting quality. We are taking five steps to evolve to make better castings, and as we move toward more advanced foundry systems, we are investing in producing no waste at all or in recycling waste for further form creation, thereby differentiating ourselves from our competitors.

*Number of customers as of March 2025

Five steps of evolution toward "making better castings"

5 Being used as a community resource
We help our customers' foundry plants function as community resources welcomed by local residents.

Sandboxes for children using recycled casting sand*
*Sand used to make sand molds for castings

Greenhouse using heat generated by factories

4 Considering the local community
Through waste and noise control, we minimize factories' impact on the surrounding communities.

3 Improving the work environment
We contribute to creating a work environment that protects the safety and health of workers.

2 Realizing high-precision castings
With new technologies such as net-shape and 3D printing, we enable casting manufacturing with high added value.

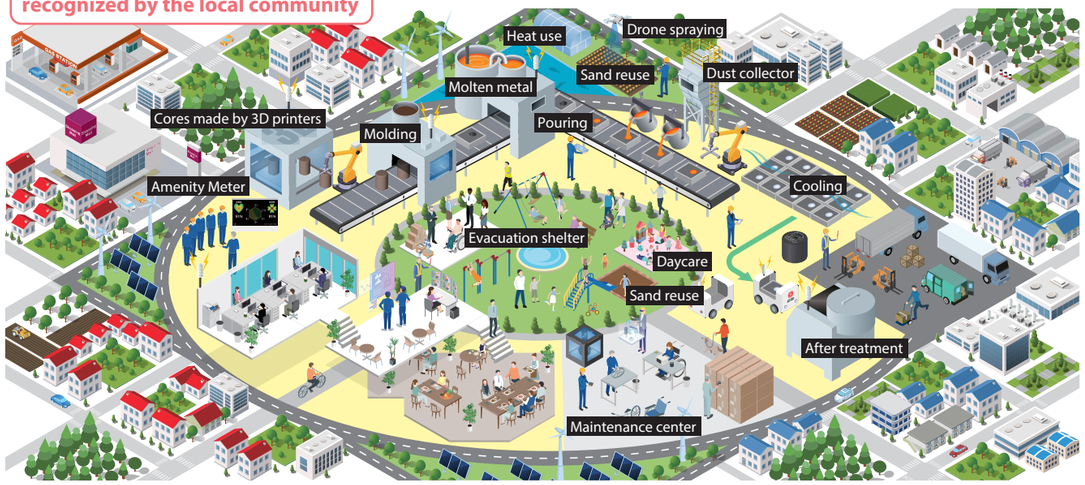
1 Supporting stable operations
We support the stable production of castings that meet customers' requirements for QCD (quality, cost, and delivery).

Recognized by the local community

Environmentally friendly

Chosen by customers

Creating foundry plants that are recognized by the local community

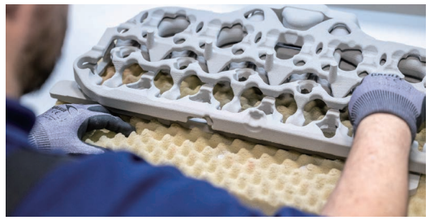


Our efforts for the future of form creation and material creation

Along with advancing form creation by using the latest 3D printer technology for many materials (such as sand, ceramics, and metals), we will also work on material creation as the basis for form creation. Amid these efforts, we will take on the challenge of "form creation that produces no waste" and "form creation that reuses waste materials."

Sand 3D printers NEW

Our partner company Laempe Mössner Sinto GmbH (Germany) has delivered the first mass-production sand mold 3D printer in Europe to BMW. This 3D printer system offers full automation as well as high-speed printing, enabling the world's highest production efficiency. BMW has praised the printer's innovation and stability, and is looking forward to further expansion of its applications in the future. With investments of tens of millions of euros and collaborations with partners, we aim to grow as a comprehensive solutions provider in this field.



Sand product sample

Ceramic 3D printers NEW

In July 2024, our group company, 3DCeram Sinto, Inc. (USA), was selected by the National Aeronautics and Space Administration (NASA) Marshall Space Flight Center as a joint development partner to support space exposure experiments on the International Space Station (ISS), and signed a sales contract for a large-scale 3D printer. Sample parts provided by the company will be installed on a panel outside the ISS for 6 months to test the effects of weightlessness and solar radiation. If 3D printing of ceramic materials is deemed effective in the space environment, we can expect to see it used to manufacture a variety of parts, such as high-temperature structures and heat shields.

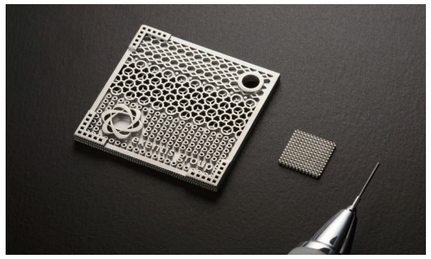
Our group offers a variety of ceramic materials formulated for 3D printing. Depending on the customer's intended use and environment, they can select the ceramic material that is most suitable in terms of functionality, such as those with specific thermal properties, rigidity, density, and thermal expansion coefficient.

Part used in semiconductor manufacturing equipment (ceramic product sample)

Ceramic materials

High-speed 3D printers for metals NEW

In partnership with the Exentis Group (Switzerland), we provide 3D printers that use metal and other materials for processing including metal additive manufacturing (metal AM), enabling high-speed mass production of precision parts. These printers are capable of high-precision vertical lamination using minimal material, resulting in products that do not require deburring, thereby reducing waste. Through this technology, we offer high-quality parts manufacturing in fields where technological innovation is progressing, such as electronics and communications and next-generation energy-related fields.



Metal product sample

Form creation on top of film using high-pressure roll presses

Over several decades, we have developed various form creation technologies; we are now expanding business for a new technology, the processing of continuous sheet materials using high-pressure roll presses. In addition to consolidating secondary battery electrodes used in EVs, this equipment can enable stable processing of several types, such as laminating film with other film or film with metal foil, and forming powder materials on film. This processing takes place at the high speed of 100 meters per minute, enabling high-quality and stable manufacturing of secondary batteries, flexible boards, and more, greatly contributing to improved productivity and product quality.

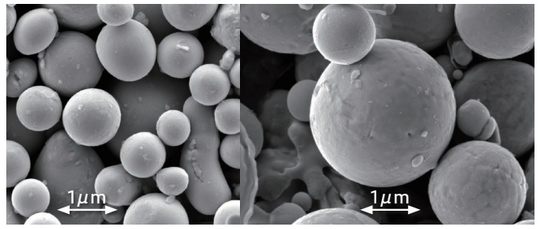
In April 2025, we started offering acceptance tests using large roll press machines. When considering the purchase of a high-pressure roll press, we believe that the most reliable approach is to check the performance using the actual machine. Our test machine boasts the industry's top-class width (up to 600 mm) and pressure (2,100 kN), and it can handle a wide range of workpieces, which is a major advantage in differentiating us from our competitors. We will continue to promote technological development to increase our competitiveness and accelerate our entry into growing markets such as the EV and semiconductor fields, resulting in even better business results.

Material creation

At Sinto, our creation goes beyond form and surfaces. With our material creation, we are advancing our material development that contributes to cutting-edge manufacturing, and we will expand these materials into fields where future growth is expected.

Functional powders

Based on the surface treatment abrasives technology that we have cultivated over many years, we have pursued the production of smaller and more stable metal powders, now providing metal powders at the micron level. These powders are used as core materials for electronic parts, which require fine particle sizes to match the increasing speed and miniaturization of communication devices such as smartphones, computers, and automobiles. Besides smartphones and automobiles, communication devices are becoming more functional, faster, and more equipped, and the development of electronic parts is also active. The core material of electronic parts, such as inductors, is also shifting from ferrite to metal powder, requiring materials and fine powders with higher magnetic properties; therefore, we expect the demand for our metal powders to increase even more in the future.



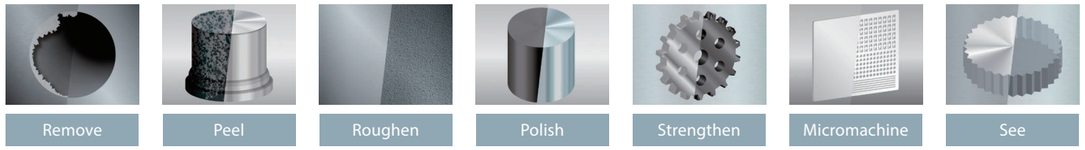
Surface creation

Our surface treatment business is a business that we hope to grow globally, and our vision is to "create more attractive surfaces." We will pursue the creation of surface functionality to provide the surface creation that our customers desire.

Attractive surfaces provided by Sinto

Long-lasting | Scratch-free | Prevents paint peeling | Smooth | Heat-resistant

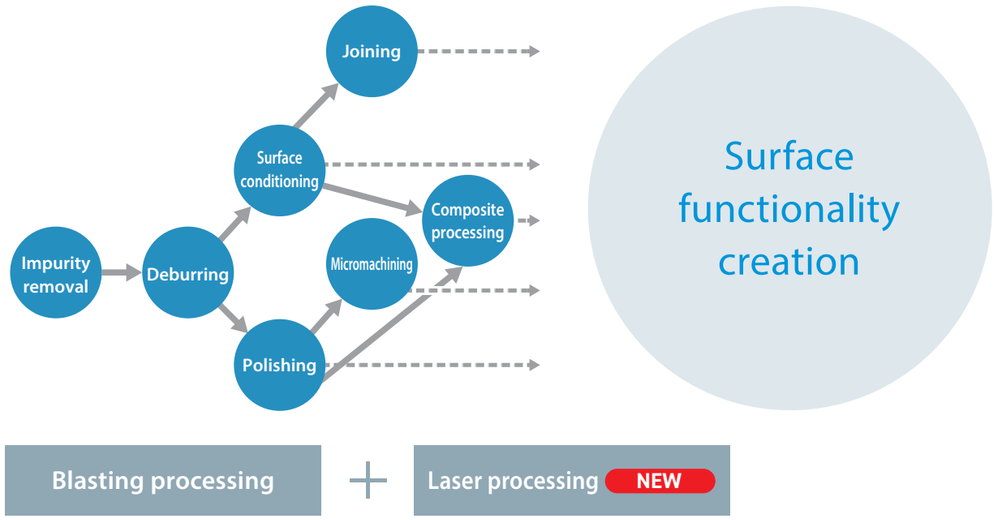
and more!
33 types of surfaces



Our "surface creation" began with removing sand, impurities, and burrs from castings using blasting technology.* It has since evolved to meet the needs of the times and changes in the industrial structure. We have now expanded our surface creation business domain to include micromachining to form small holes and grooves in surfaces, surface modification for harder and longer-lasting surfaces, and joining of dissimilar materials such as metal and resin.

As with form creation, we also use digital technology in surface creation; in addition to the conventional blasting process, we are also developing new kinds of surface creation using lasers.

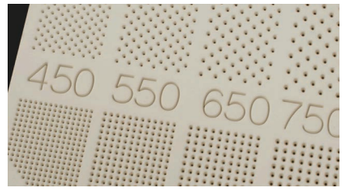
*Processing method that shoots metal spheres (abrasives) against the surface of workpieces



Micromachining

Achieving high-precision and high-accuracy blasting

Our micromachining technology enables micron-level precision machining of grooves and holes in hard-to-process materials such as glass, silicon wafers, and ceramics. Now, with the advance of digitalization, this technology is being adopted in the electronics and precision components industries, which are expected to see continued growth. Traditionally, electronic components have been processed using drills or lasers. However, drilling is time-consuming when processing a large number of holes, and it is not suited for components with complex geometries; laser processing can cause thermal defects such as melting or cracking due to heat. Our micromachining technology allows for simultaneous processing over large areas and, being a cold process, eliminates thermal effects; this results in highly accurate and damage-free machining, even for delicate materials.

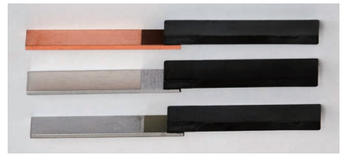


Sample of drilled holes on a ceramic board (processing as small as 50 µm in diameter)

Joining of dissimilar materials

Reducing the weight of EVs by reducing the number of components

Our technology of joining dissimilar materials, which directly bonds materials using nano-level surface roughness without adhesives, is used to freely combine the inherent material properties of metals and resins to create products with new functions and performance. This technology is expected to play a crucial role in fields such as EVs and autonomous driving, which are anticipated to experience global growth and industry restructuring in the future.



Joined metal (left) and resin (right) sample

Composite processing

Fusing form creation and surface creation to enable manufacturing with high added value

Along with proposals for form creation through 3D printers using metal additive manufacturing (metal AM; see P26), by combining these technologies with our long years of surface treatment expertise, we are able to resolve issues faced by metal AM such as surface roughness and strength, enabling manufacturing with high added value. For example, by using our barrel polishing technology to create smooth surfaces for formed parts, we can reduce surface roughness, limiting the occurrence of damaging cracks. Additionally, with our peening technology, we can reform surfaces, improving fatigue strength.

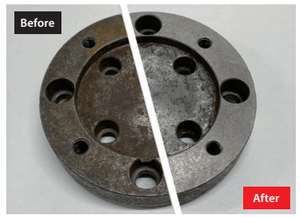
Surface treatment of metal AM sample, before (left) and after (right)

Laser processing NEW

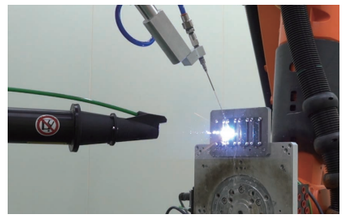
Environmentally-friendly innovative surface creation that enables spot processing

Traditionally, our company has primarily deployed blasting processes, in which metal spheres (abrasives) are projected onto product surfaces. However, in recent years, we have been expanding into innovative surface creation using laser technology. In FY2024, through our partnership with Laserax Inc. (Canada), we began our laser processing business, offering cleaning (surface decontamination), marking (engraving and coding), and texturing (surface patterning). Laser processing is a novel surface treatment method that irradiates the target with laser light, giving functionality to the target works; this enables pinpoint improvement of cleanability and adhesive strength, as well as high-precision engraving of text and 2D codes on product surfaces. In addition to these characteristics, this method uses no water or chemicals, making it environmentally friendly. Another key feature is its non-contact nature, which allows for delicate and precise processing.

We also focus our efforts on peening technology, which imparts surface hardening and modification to metal surfaces. In FY2023, we launched contract processing services using laser peening, enabling enhanced fatigue strength and improved resistance to stress corrosion cracking for parts. This technology is used in fields requiring high reliability, light weight, and durability, such as aerospace and automotive industries.



Surface treatment by laser cleaning, before (left) and after (right)



Laser peening

Feature

Global Strategy for the Surface Treatment Business

In April 2024, we acquired Elastikos (France) S.A.S. (below, "Elastikos"), a company based in France that primarily operates in the blast material business. In December of the same year, we acquired AGTOS GmbH (below, "AGTOS"), a company based in Germany that operates in the surface treatment equipment business. Along with leveraging our expanded sales channels and brand power as strengths, we will utilize the synergy with these new partners to further accelerate the global expansion of our surface treatment business.

Elastikos

- Business: Surface treatment services, mainly blasting materials
- Location: France (HQ); 31 locations worldwide
- Sales: 45,441 million JPY (equivalent)*
- Number of employees: 770†

Abrasives

AGTOS

- Business: Manufacturing and sales of surface treatment equipment
- Location: Germany (HQ) and Poland
- Sales: 3,270 million JPY (equivalent)*
- Number of employees: 143†

Surface treatment equipment

*：FY2024 results
†：As of December 31, 2024

Aims of M&A

Elastikos and AGTOS are well known especially in Europe and the Americas, with many sales channels. Meanwhile, as Sinto, we have established a system through which we serve our global customers through our overseas bases in each region, supplying a wide variety of products tailored to local surface treatment requirements and providing timely support using information technology. With this M&A, we hope to expand our business in the European region by utilizing the name recognition and sales channels of these companies; we can expect to see further expansion of the 3-in-1 business model (providing total support with equipment, parts/consumables, and after-sales support). We will use these new partnerships to create synergy to promote and expand our surface treatment proposals in various fields, resulting in increased profits.

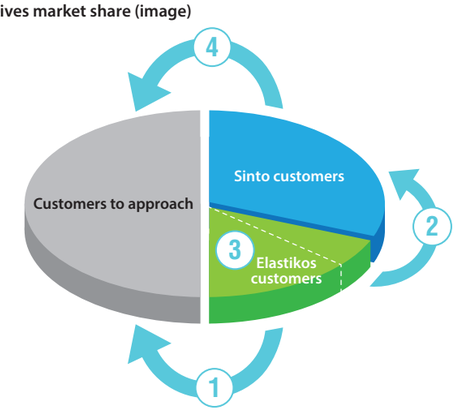
Elastikos	Sinto Group
Global sales channels	Extensive customer support

Utilizing the combined strengths of both companies to enhance global growth

Sales strategy

Utilizing the customer databases of both companies, we aim to respond to the needs of our existing 40,000 customers around the world through integrated 3-in-1 activities. We will also work together to acquire new customers, regardless of the business field or application.

Abrasives market share (image)



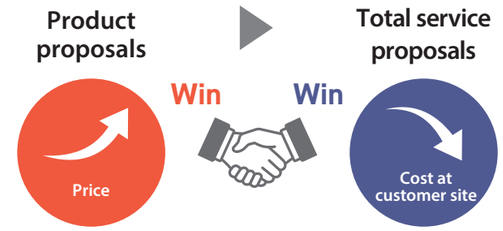
① On top of our strong support system, we will use Elastikos's network to approach new markets.
② For existing Elastikos customers, we will create opportunities for use beyond abrasives, such as equipment and after-sales service.
③ Elastikos will make proposals from new perspectives to respond to the various needs of their existing customers.
④ We will strengthen our development in the peening and precision processing markets using our differentiated technologies and know-how.

Ramesh Babu Krishnan
Managing Executive Officer of Sintokogio, Ltd.
CEO of Elastikos (France) S.A.S.

Cooperating to accelerate global business with stronger localization

Amid recent changes in the economic environment, we recognize the need to rearchitect our business system to the changing global order, maintaining our global business but with stronger localization. The partnership with Sinto will be very effective for this. Utilizing our respective strengths, we will deploy the 3-in-1 strategy especially in uncovered areas in Asia, Europe, and the Americas, with a regional/country focus to provide the optimal solutions for each area. Based on the Sinto strategy for after-sales service, we will deploy a new aftermarket segment in a staged approach, increasing added value to the business. We will also employ Sinto's technologies and surface engineering for the deployment of further peening centers (Europe and India), and using IoT, we will offer smart surface treatment services, supported by establishing the Digital Lab in India. Together, we will further expand our global share and contribute to our customers' manufacturing around the world.

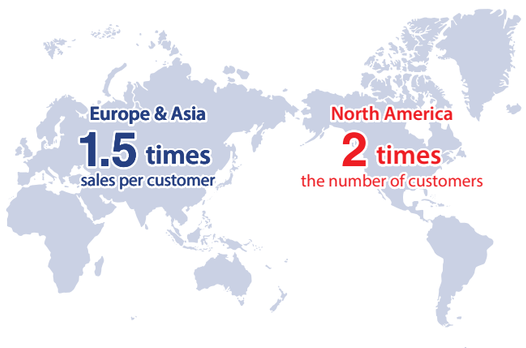
To flexibly respond to changes in the market environment and more reliably meet our customers' requests, we will shift from simply proposing products to providing added value through total services. Next, even if product prices increase owing to rising material costs and other factors, by ultimately reducing costs and resolving issues at customers' worksites, we will create "win-win" products that can provide value to satisfy customers. We are continuously working on developing new ideas to make these products a reality.



Asia Steel Shot Conference members (including participants from all Sinto Group companies involved in abrasives, including Elastikos)

Our goal

Our long-term goal is to increase sales per customer by 1.5 times in Europe and Asia, and to double the number of customers in North America. We strive to be at the top in both sales volume and international market share.



Five Technologies

Along with supporting our "three creations" and enabling the development of our business, these five technologies resolve issues faced by our customers and stakeholders, contributing to the advance of society.

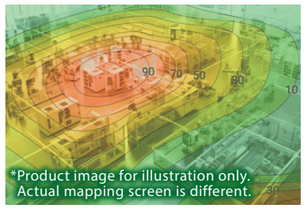
Environmental technology

Enabling workers' health, safety, and comfort

Through our environmental technology developed from pollution prevention processes in factories, such as dust collection, gas treatment, and water treatment, we are making efforts to create a work environment that is not only safe and healthy for workers but also comfortable. Amid the declining birthrate and aging population, a safe and comfortable environment creates a place in which all workers can thrive, regardless of age or gender.

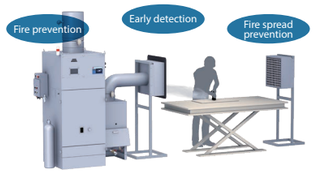
Amenity Meter

Launched in 2023, the Amenity Meter has been highly praised especially by large-size customers as an unprecedented, innovative tool that makes it possible to "visualize" wide-area work environments, which was previously difficult to do. It allows users to confirm environmental improvements in real time, supporting a comfortable work environment. We are currently working on building a system that will utilize the acquired data to detect and prevent problems that could impair a safe and comfortable environment.



Anti-fire countermeasure system

Countermeasures against factory fires have become increasingly important for companies. Our newly developed flame-retardant powder feeder was introduced to the market in April 2025. This unit safely makes dust within the ducts flame-retardant, reducing the risk of fire; this strengthens the three measures of fire prevention, early detection, and fire spread prevention, thereby ensuring factory safety. Through this product, we will reduce corporate risks and contribute to the realization of a safe factory environment.



Increased worksite safety

Topics **Environment Technology Center opened at Qingdao Sinto (China)**

To allow our customers in China to experience our environmental technologies, our group company Qingdao Sinto Machinery Co., Ltd. (Shandong Province, China) established an Environment Technology Center. There are over 1,000 dust collector manufacturers in China, but only a few can provide consulting on proper suction conditions. Therefore, Qingdao Sinto opened a facility in which visitors can have a full experience and understand everything from dust suction and risk management such as preventing fires and explosions, to CO_2 and electricity reduction. We will continue working to solve issues rooted in each local area, and we will also propose "creating a safe, healthy, and comfortable working environment for workers" globally.

IoT technology

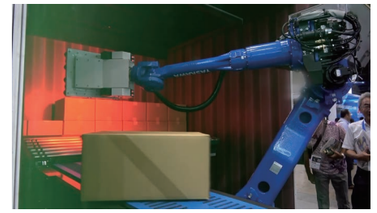
Addressing labor shortages at manufacturing sites through digital transformation

The labor shortage in the manufacturing industry is becoming more and more serious, and aging equipment is often seen on site, with an increasing number of customers who must deal with sudden breakdowns. By leveraging the visualization technology we have developed at production sites, we combine and analyze control and sensor data, and we manage signs of abnormalities and trends. This allows us to help our customers resolve their issues in the manufacturing sector. These solutions are available both through the cloud and with on-site tools, accommodating all work environments. Also, through control technology and sensor information combined with image analysis, we enable a multifaceted understanding of the status of equipment. By combining sensors from multiple manufacturers with a variety of output formats such as screens, audio, images, forms, and lights, we can comprehensively address various issues at customers' sites.

Specifically, we support improvement activities aimed at improving productivity, quality, and energy conservation through our product line-up including the Package by C-BOX, which uses sensors to detect and output abnormalities on-site; Remote Monitoring, which identifies signs of abnormalities in equipment; and the Equipment Operation Monitor, which enables trend analysis through accumulated data analysis.

Handling technology

Transport devices Contributing to resolving logistics issues



We provide products related to transportation such as scissor lifts, conveyors, and systems, thereby advancing the automation of material handling. In particular, we make proposals for the flow of goods that considers the safety of workers, such as lifts with rapid fall prevention and conveyors with entanglement prevention mechanisms. We are also working on the streamlining of truck yards, and we have developed the TruckUlaytor Series, which includes a debander for unloading cargo from truck beds and containers, and a mobile step-eliminating machine that can be used in environments without platforms.

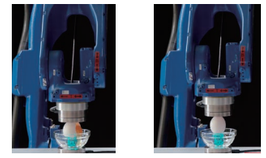
Furthermore, we recently installed at Saga Airport an automatic baggage loading robot, which we co-developed together with a domestic airline, as part of our efforts for automation of loading work. In the future, in the truck transport industry in which there is a serious labor shortage, we will launch a lightweight debander for unloading cargo and a fully automatic unloading device that combines image processing technologies; we will also expand our series of mobile step-eliminating machines.

Force sensors High-precision automation replicating human senses

We are able to digitize and automate manual work by providing the ZYXer force sensor, which simultaneously detects forces in the length, width, and height directions, as well as the moment of rotation (torque) around those directions. ZYXer boasts a transmission speed* of 0.83m/s, among the fastest in the industry, enabling high-speed feedback of force sensor data. Without a time lag, the robot's operating speed is not limited. Furthermore, ZYXer has the highest level of precision detection accuracy with a minimum resolution of 1/4000 (the ratio of the largest capacity that the sensor can measure), and it is being used to replace manual work that was previously difficult to automate.

*The speed at which ZYXer and the robot transfer data to one other

Just enough force control to not crack an egg

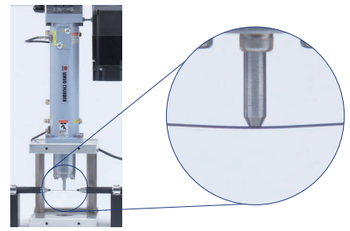

Without the force sensor | With the force sensor

With these features, ZYXer has already been recognized as an official accessory for robots from six major Japanese manufacturers. Furthermore, we are expanding the ZYXer system proposals to effectively help to alleviate the labor shortage in manufacturing fields and improve quality and productivity. We also propose applications in various fields, such as sports and medicine, and actively contribute to resolving our customers' issues. For example, in the robotics field, we are promoting the adoption of ZYXer as a standard or optional product by robot manufacturers in Japan and overseas; in the automotive field, we are strengthening our proposals for robot systems that incorporate ZYXer. In the industrial machinery field, we will propose incorporating ZYXer into customer equipment, and in the food, pharmaceutical, and cosmetics industries, we will actively promote application sales, such as the new product Dynamic Weight Measurement by ZYXer, and also look for alliance partners.

Energy technology

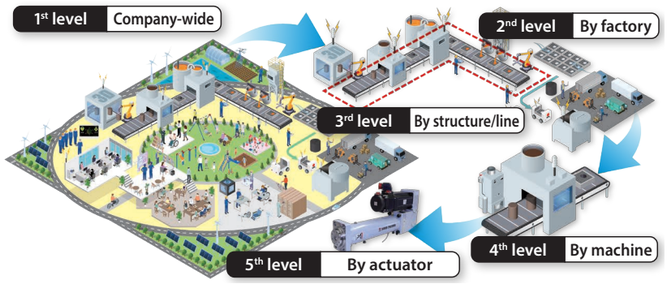
Electric cylinders Replacing hydraulic cylinders to reduce power consumption and CO_2 emissions

Unlike hydraulic cylinders, electric cylinders are energy-efficient actuators powered by a different electric motor. Not only does this enable precise and flexible movement, but by replacing hydraulic cylinders with electric cylinders, power consumption can be reduced by approximately 70%, reducing CO_2 emissions and contributing to the creation of carbon-neutral factories. Also, unlike hydraulic cylinders, there is no oil leakage, making for a clean environment. Furthermore, electric cylinders save space and reduce noise, resulting in improved working conditions, and we can expect continued stable growth from the perspectives of precision and the environment.


Positioning control in which even pencil lead (0.5 mm) does not break

Visualization/reduction of power consumption Achieving carbon neutrality in manufacturing sites

With our experience as an equipment manufacturer, our strength is in our ability to realize digital transformation at the site level and to propose equipment/devices in sets that can reduce power consumption. In this way, we will continue to make proposals for realizing a sustainable society in a wide range of manufacturing fields. By utilizing IoT technology, it is possible to visualize power consumption at every level, from the entire company to each individual machine, thereby enabling actions to reduce unnecessary power consumption. Furthermore, by proposing energy-saving products such as the electric cylinders mentioned before, we promote reduction of electricity use and CO_2 emissions.



Visualization of electricity by C-BOX

Inspection and evaluation technology

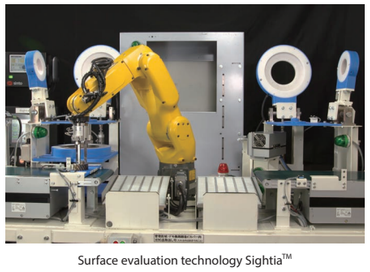
Surface length and shape measurement High-precision dimensional measurement of increasingly dense electronic components

The expanding use of generative AI has resulted in a boom in the construction of data centers. In this age of advancing digital innovation, components for semiconductors, displays, optical communications, etc., are becoming increasingly dense and precise, increasing the demand for accurate dimensional measurement in research and development and the manufacturing process. The SMIC series of precision 2D coordinate measuring machines, which are capable of measuring fine line widths as thin as 0.5 micrometers (1/2000 of a millimeter), are so reliable in their absolute measurement accuracy that they are used not only to measure various precision electronic components, but also to evaluate the accuracy of the equipment used in the manufacturing processes of those components, supporting Japan's precision manufacturing.


Precision 2D coordinate measuring machine

Surface evaluation Contributing to quality assurance and production efficiency

Our surface evaluation technology Sightia™ makes it possible to visualize changes in material properties, thereby contributing to improved production efficiency by preventing defective products from being sent to the next process; it is also possible to measure the product condition before processing and designate processing settings that suit the condition of each individual product. Furthermore, our surface evaluation equipment can measure stress in just 15-20 seconds, the fastest in the world, making it possible to inspect all items in a lot. This data is then remotely connected to our Technology Center, where operation status and measurement results can be communicated to engineers in real time, enabling us to provide optimal process proposals.


Surface evaluation technology Sightia™

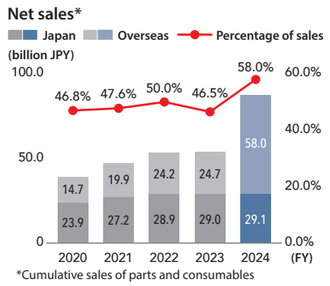
Electrical property inspection High-precision and efficient one-stop inspection

We aim to create new value by combining mechatronics with electrical measurement technologies. Based on testing technology for conventional fossil fuel vehicles, we are expanding our business into the field of high-speed, high-precision electrical measurement testing for power modules in electric vehicles such as BEVs. Centered on our original electrical property tester, we provide complete inspection solutions with the 3-in-1 functions of carrying, touching, and measuring, for everything from IGBT chips to eAxles. In this way, we contribute to the quality assurance of next-generation mobility.


Electrical property inspection equipment

After-sales Service

With the addition of Elastikos (France) and expanded abrasives sales overseas, net sales from after-sales service amounted to 58.0 billion JPY overseas (up 134.2% year-on-year). In Japan, even with slight downward trends in operating rate at our customers' sites, we were able to maintain domestic sales of 29.1 billion JPY (up 0.4%) in response to investment needs for equipment maintenance to retain productivity. As a result, after-sales service accounted for 58.0% of consolidated net sales. We will continue to expand our after-sales service to offer timely service to our customers, resulting in the strengthening of a sustainable revenue base.



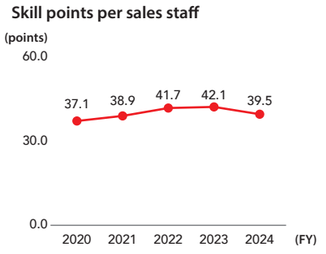
*Cumulative sales of parts and consumables

Providing timely service through skills + digital technologies

In recent years, Japan has been facing a declining birthrate and aging population, resulting in a serious decline in the working population. The number of skilled workers for equipment maintenance in the manufacturing industry is also decreasing, making the transfer of skills a pressing issue. Through skill development of our workers and digitalization, we are able to provide timely response for maintenance on the worksite. With our Sinto Support System that keeps customers' equipment running, we utilize IoT technology to provide service that goes beyond the intuition and experience of skilled workers. Through this system, we are working to alleviate labor shortages and resolve issues with skill transfer at maintenance sites.

Initiatives to improve skills of service staff

To provide high-level after-sales service to customers around the world, we provide training to our service personnel, in Japan and overseas, to acquire knowledge and skills related to the maintenance and inspection of our equipment, thereby improving their skills. We manage the skills of each employee using globally common evaluation standards, working to develop human resources who can provide stable services to customers across the world. In FY2024, we held a Black Belt Meeting bringing together the heads of the after-sales service departments of our overseas group companies to discuss the required skills and align the focus of skill evaluation.



Improved service through digitalization

To minimize unexpected equipment downtime and provide timely service, we propose IoT-based equipment monitoring services that utilize digital technology and services to visualize information inside the equipment. We monitor our customers' equipment 24 hours a day, 365 days a year, and can detect signs of failure before they occur, thereby enabling planned maintenance. This contributes to decreased maintenance work time owing to unplanned maintenance activities; it also reduces the number of people required by simplifying inspection and monitoring work.

Preventive Maintenance

Assist operators
Inspection Assistance
Monitoring / Inspection / Training

Assist maintenance staff
Preventive Maintenance
Diagnosis / Measurement / Analysis

Corrective Maintenance

Assist in emergencies
Corrective Maintenance
Remote Assistance / Storage

Research and Development, Intellectual Property Strategy

Research and Development

Promoting expansion of our business domain of "giving form and life to process materials"

We are actively conducting research and development to expand our business domain of "giving form and life to process materials," which we have been working on for many years. The core of this business domain are the "three creations" of form creation, material creation, and surface creation, along with the "five technologies" that support them. Particularly, to create business in response to social issues such as sustainability, carbon neutrality, and labor savings, we invested 2.5 billion JPY, or 1.7% of our consolidated sales, in research and development in FY2024 toward the development of technologies and products. We are also strengthening our efforts in joint development with universities and research facilities and further promoting co-creation with partner companies.

Strengthening collaboration in technological development with bases in each country

Currently, our primary development bases are located in Japan, but we are working to accelerate technological development in other regions and create a global development system as One Global Sinto. Today, we are engaged in regular technological exchange in the foundry and surface treatment businesses, and we have been discussing business strategies from a global perspective to be deployed in each region. By utilizing our customer service bases in each country and capturing customer needs, we are developing appropriate strategies for each region.

Intellectual Property

Contributing to business through intellectual property (maintaining and strengthening competitiveness and risk management)

■ Avoiding intellectual risk

We respect the intellectual property of others and ensure that we do not infringe on their rights. To prevent litigation and legal risks from occurring, we regularly monitor the rights of other companies in each business field and cooperate with business divisions to thoroughly investigate and review the results of such monitoring.

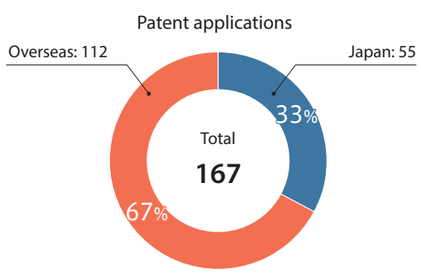
■ Utilizing intellectual property information

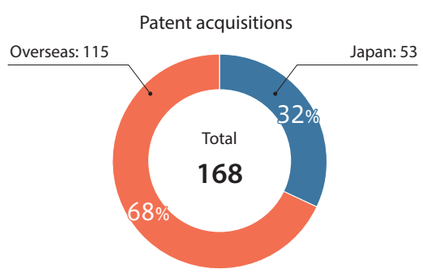
In addition to our existing business domain, we are enacting intellectual property analysis in new business areas. By working closely with business divisions, we are able to develop intellectual property strategies that are suited to the business environment. The intellectual property analysis and the proposed intellectual property strategies are shared at meetings attended by the development, sales, and intellectual property departments.

■ Intellectual property human resource development

We offer intellectual property training as per rank and job type, striving to raise awareness of intellectual property topics such as increasing motivation to invent and create, respecting the rights of others, and protecting our own company's rights. For instance, by holding training every year for employees planning to take the intellectual property management skills examination, the number of employees who pass the examination is increasing every year.

FY2024 results for patent applications and acquisitions





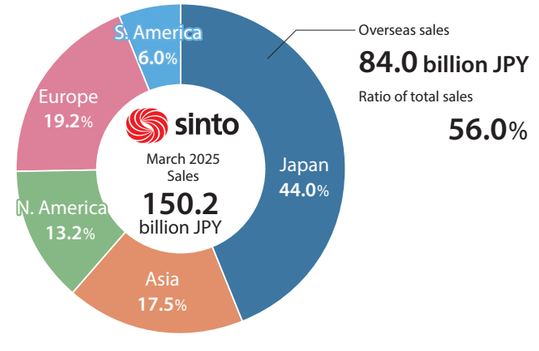
Global Business Foundation

The overseas expansion of our group began in 1968 when we established our first overseas subsidiary in Taiwan. Subsequently, the development of foundry technology resulted in the establishment of after-sales service bases for customers in the high-demand foundry industry, along with manufacturing bases for new growing industries. This global network set the foundation for our current business development. We utilize this network to expand our market share for our existing businesses and to promote development in new businesses. The Sinto Group has also developed a global 3-in-1 business model that provides equipment, parts/consumables, and after-sales service to customers after equipment is delivered. With the motto of preventing our customers' equipment from stopping, we provide stable supply of parts and services by expanding our network to locations close to the customer. Through this, we aim to deepen bonds with our customers. Our global network spans across various regions all around the world.

Subsidiaries outside of Japan (as of March 2025)

23 countries and regions, 60 locations

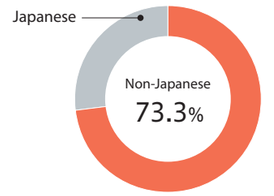
Sales composition by region



Global management structure

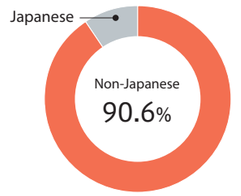
Every year, we host the Sinto International Conference for the executive management of all overseas group companies. This is an opportunity for all overseas group companies to come together to ensure a fully shared understanding of the global management policies, and to address issues such as risk management and the promotion of sustainability activities to strengthen our global management structure. In developing our overseas business, we emphasize our idea of trust-based management. By entrusting management of day-to-day operations to the local people while we provide technology and capital, we aim to achieve management that is rooted in each local area under a unified business vision as One Global Sinto.

Ratio of local personnel in management positions overseas



Of 251 overseas management posts, 184 are non-Japanese personnel

Executive management ratio



48 of 53 companies are led by non-Japanese top management

30th Sinto International Conference 2024 (SIC 2024)